



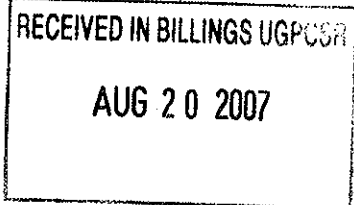
New Ulm Public Utilities

City of New Ulm

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CERTIFIED MAIL



August 16, 2007

Mr. Robert J. Harris
Regional Manager
Upper Great Plains Region
Western Area Power Administration
2900 4th Avenue North
Billings, MT 59101-1226

Dear Mr. Harris:

This letter of interest in an allocation of Federal power is in response to the FRN Post-2010 Resource Pool, Pick-Sloan Missouri Basin Program – Eastern Division request for letters of interest in an allocation of Federal power for delivery beginning January 1, 2011.

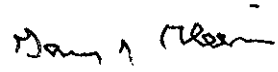
New Ulm Public Utilities is a municipal power system operating under the laws of the State of Minnesota. New Ulm located in south central Minnesota. We have never received, directly or indirectly, any benefit from a current Federal power allocation.

Our mission is to provide low cost, reliable power to our community. We serve approximately 7,000 retail customers. Federal power would become an important part of the power supply resources that we use to provide service to these customers.

Heartland Consumers Power District will be our full-requirements power supplier at the time the allocation is available for delivery and has agreed to allow us to incorporate a Federal power allocation as a primary resource. Heartland is in the process of acquiring the necessary firm transmission service between the Integrated System and our electric system for delivery of the Federal power. After firm transmission has been approved, Heartland is also willing to schedule this resource through the MISO system on our behalf.

We look forward to working with you to make this valuable resource available to our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary J. Gleisner". The signature is written in a cursive, flowing style.

Gary J. Gleisner
Director of Utilities